

Department of Environmental Quality
Permitting and Compliance Division

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Mr. Chairman and members of the Committee. My name is Judy Hanson. I am the Administrator of the Permitting and Compliance Division. The Opencut program is in this Division.

The DEQ brought legislation to the 2005 and 2007 legislative sessions creating a fee system to be able to hire additional staff in the Opencut Program. Both of those attempts were unsuccessful despite the support of the industry through the Montana Contractor's Association. Since the 2007 legislature, we have met with the Montana Contractor's Association and the Montana Association of Counties searching for common ground to bring to this legislative body.

During this past interim, the train wreck that we were fearful of occurred. The Legislative Auditor's Office performed a compliance audit of the Opencut program. This report garnered a lot of attention and press as the report was not favorable to the department. Many of the findings were about the program's processes-or lack thereof and other administrative functioning. These findings are true-due to the fact that the Opencut program is understaffed and are woefully behind in processing permits and doing appropriate compliance inspections and bond releases.

This brings us to the second part of the train wreck which was when the permit applicants took us to court to get their permits issued without the necessary environmental reviews.

Since the 2009 legislature began, we have been meeting with legislators from both the House and the Senate from both sides of the aisle, the Montana Contractor's Association, gravel pit owners/operators, and the Montana Association of Counties to attempt to bring a resolution to this body. Our position in this effort is to be the facilitator and keep discussions moving forward. There are many Opencut bills addressing the issues and even though they are not all perfect and may need amendments, we will continue to work with all of the parties.

Therefore, I am speaking to you today as an information witness. We have staff from the program here if there are any questions.

Prepared by: Judy Hanson